

IRS VITA/TCE Volunteer Standards of Conduct (Ethics)

Volunteer Income Tax Assistance / Tax Counseling for the Elderly
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Volunteer Income Tax Assistance Program



VITA/TCE Programs

- ▶ The mission of the VITA/TCE return preparation programs is to assist eligible taxpayers in satisfying their tax responsibility by providing **free** tax return preparation. To establish the greatest degree of public trust, volunteers are required to maintain the highest standards of ethical conduct and provide quality service.
- ▶ Annually all VITA/TCE volunteers (paid & unpaid) must pass (80% or higher) the Volunteer Standards of Conduct (VSOC) certification test and agree that they will adhere to the VSOC by signing and dating Form 13615, Volunteer Standards of Conduct Agreement **prior** to volunteering at a VITA/TCE site.
- ▶ Intake/Interview specialists, tax preparers, quality reviewers, and site coordinators must pass (80% or higher) on the Intake/Interview and Quality Review certification test.
- ▶ Form 13615 is not valid until the sponsoring partner's approving official (site coordinator) or IRS confirms the volunteer's identity with a government issued photo identification (ID) and signs and dates the form.

Volunteer Standards of Conduct

1. Follow the Quality Site Requirements
2. Not accept payment, solicit donations, or accept refund payments for federal or state tax return preparation from customers.
3. Not solicit business from taxpayers you assist or use the information you gained about them for any direct or indirect personal benefit for you or any other specific individual.
4. Not knowingly prepare false returns.
5. Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs
6. Treat all taxpayers in professional, courteous, and respectful manner.

Failing to comply with standards could result in:

- ▶ Your removal from all VITA/TCE Programs;
- ▶ Inclusion in the IRS Volunteer Registry to bar future VITA/TCE activity indefinitely;
- ▶ Deactivation of your sponsoring partner's site VITA/TCE EFIN;
- ▶ Removal of all IRS products, supplies, loaned equipment, and taxpayer information from your site;
- ▶ Termination of your sponsoring organization's partnership with the IRS;
- ▶ Termination of grant funds from the IRS to your sponsoring partner; and
- ▶ Referral of your conduct for potential TIGTA and criminal investigations

Unethical Conduct Defined

- ▶ IRS-SPEC (Stakeholder Partnerships, Education and Communication) defines unethical as not conforming to agreed standards of moral conduct, especially within a particular profession. In most cases, unethical behavior is acted upon with the intent to disregard the established laws, procedures, or set policies.
- ▶ Do not confuse an unethical action with a lack of knowledge or a simple mistake.
- ▶ Not sure? Ask your site coordinator!
- ▶ **Example:** If volunteer Mary prepares a return, which includes a credit the taxpayer does not qualify for because Mary did not understand the law, Mary did not act unethically. However, if Mary knowingly allowed a credit for which the taxpayer did not qualify, Mary committed an unethical act and violated the Volunteer Standards of Conduct.

Follow the ten Quality Site Requirements

1. Certification
2. Intake/Interview & Quality Review Process
 1. A complete Form 13614-C must be used to prepare each tax return
3. Confirming Photo Identification and Taxpayer Identification Numbers (TIN)
4. References Materials
5. Volunteer Agreement
6. Timely Filing
7. Civil Rights
 1. Title VI of the Civil Rights Act of 1964 information must be displayed or provided to the taxpayer at the first point of contact between the IRS tax-law certified volunteer
8. Site Identification Number
9. Electronic Filing Identification Number
10. Security
 1. All security, privacy, and confidentiality guidelines as outlined in Publication 4299, Privacy, Confidentiality, and Civil Rights - A Public Trust are required to be followed.

Do not accept payment, solicit donations, or accept refund payments for federal or state tax return preparation from customers

- ▶ “Free” means we do not accept compensation for our services from clients we serve. Donation or tip jars located in the return preparation or taxpayer waiting area are a violation of this standard. If a client insists, you can recommend cookies or snacks for the site.
- ▶ Taxpayers can make cash donations to the sponsoring organization, but you need to direct them to the appropriate website or to the site coordinator for more information.
- ▶ Taxpayers’ federal or state refunds must not be deposited into VITA/TCE volunteer’s or any associated partners’ personal or business bank/debit card accounts. Generally, VITA/TCE sites should only request direct deposit of a taxpayer’s refund into accounts bearing the taxpayer’s name.
- ▶ **Example:** You finish a time-consuming return and the client is very grateful. On her way out, the client stops by and tries to sneak a \$20 bill in your pocket, saying, “I would have paid ten times that to the service across the street.” Return the money and explain that you cannot accept money for doing taxes, but UWSAW may appreciate a donation which can be made at the main office or on their website www.unitedwaysaw.org.

Do not solicit business from taxpayers or use their information for any direct or indirect personal benefit for yourself or any other specific individual

- ▶ You must properly use and safeguard taxpayers' personal information. Do not use confidential or nonpublic information to engage in financial transactions, and do not allow its improper use to further your own or another's private interests.
- ▶ Keep taxpayer and tax return information confidential. A volunteer preparer may discuss information with other volunteers at the site, but only for purposes of preparing the return. Do not use taxpayer information for your personal or business use.
- ▶ **Example:** Your primary business includes selling health insurance policies. During the interview, you find out the taxpayer lost access to health insurance in January of the current year. You cannot offer to sell the taxpayer health insurance through your business.
- ▶ **Example:** You are the site greeter and your daughter asks you to take candy orders at the site for her school fundraiser. You have to tell her you can't 8

Do not knowingly prepare false returns

- ▶ Volunteers must correctly apply the tax law to taxpayer's situation. While you may be tempted to bend the law to help the taxpayers, this will only cause problems later for the taxpayer including additional tax, plus interest and penalties, and many years of taxpayer interaction with the IRS.
- ▶ The taxpayer may seek damages under state or local law from the SPEC Partner for the volunteer's fraudulent actions.
- ▶ **Example:** A volunteer preparer told the taxpayer that cash income does not need to be reported. The return was completed without the cash income. The quality reviewer simply missed the omission, and the return was printed, signed, and e-filed. Since the quality reviewer did not knowingly allow the return to be e-filed incorrectly, the quality reviewer did not violate this standard. Remember not to confuse an unethical action with a lack of knowledge or a simple mistake.
- ▶ **Example:** A volunteer prepares a fraudulent return by knowingly claiming an ineligible dependent. The taxpayer received a notice from the IRS disallowing the dependent and assessing additional taxes, interest, and penalties. The taxpayer may seek money from the SPEC partner, but must still pay the IRS the additional taxes, interest, and penalties.

Do not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative impact on the VITA/TCE programs.

- ▶ Volunteers may be prohibited from participating in VITA/TCE programs if they engage (past and current) in criminal, infamous, dishonest, or notoriously disgraceful conduct, or any other conduct prejudicial to the government.
- ▶ Take care to avoid interactions that discredit the program.
- ▶ Volunteers performing egregious activities are barred from volunteering for VITA/TCE programs and may be added to a registry of barred volunteers.
- ▶ **Example:** A partner's program director was convicted of embezzling funds from an unrelated organization. The program director's criminal conduct created a negative publicity of the partner. The partner was removed from the VITA/TCE Programs.
- ▶ **Example:** A taxpayer's refund was stolen by a volunteer return preparer at a VITA site. The taxpayer sought monetary damages from the SPEC Partner for the volunteer's fraudulent actions. The volunteer preparer was banned from volunteering in the VITA/TCE programs.

Treat all taxpayers in a professional, courteous, and respectful manner.

- ▶ Volunteers must maintain the confidence and esteem of the people we serve! Volunteers are expected to conduct themselves professionally, in a courteous, and respectful manner.
- ▶ Taxpayers are often under a lot of stress and may wait extended periods for assistance. It is important to remain calm. We must strive to create a peaceful and friendly atmosphere for all involved in the process!
- ▶ **Example:** You finish a difficult return for Millie, who has self-employment income, several expenses, and few records. Her son turned 25 and moved out early in the year (no longer a dependent). She has a balance due. After you explain the return, Millie sputters, “You don’t know what you are doing. I always get a refund! My neighbor is self employed and got \$1900 back.” In this situation you take a deep breath and courteously explain that every return is different, and the quality reviewer will look at the return too. Don’t ever hesitate to involve the site coordinator.

Due Diligence

- ▶ IRS-SPEC defines due diligence as the degree of care and caution reasonably expected from, and ordinarily exercised by a volunteer in the VITA/TCE Programs.
- ▶ Generally, IRS certified volunteers may rely in good faith on information from a taxpayer without requiring documentation as verification. However, part of due diligence requires volunteers to ask a taxpayer to clarify information that may appear to be inconsistent or incomplete.
- ▶ Find the answer when in doubt:
 - ▶ Seek assistance from the site coordinator or a tax preparer with more experience
 - ▶ Reschedule the appointment to allow time for the taxpayer to gather documents
 - ▶ Use reference materials (Pub. 4012, Pub. 17, Pub. 596, Pub. 501, etc.)
 - ▶ Research www.irs.gov for the answer
 - ▶ Call the VITA/TCE Hotline 1-800-829-VITA (8482)
 - ▶ Research the Interactive Tax Assistance (ITA) on www.irs.gov to address tax law issues
 - ▶ Advise taxpayers to seek assistance from a professional tax preparer

What if an unethical situation is discovered at a site?

- ▶ If ANYONE feels that potential problems may require additional, independent scrutiny, they should report these issues using the external referral process (VolTax) by emailing WI.VolTax@irs.gov.
- ▶ SPEC employees and managers who identify unethical behavior or violations to the VSC will use an internal referral process.
- ▶ If a site coordinator determines a volunteer has violated the VSOC, the site coordinator needs to immediately remove the volunteer from all site activities and deactivate their access to tax preparation software. In addition, notify the partner and the IRS-SPEC with details of the violation.
- ▶ It is critical that SPEC Headquarters be notified as quickly as possible of any potential misconduct by any volunteer or staff to preserve the integrity of the VITA/TCE Program.
- ▶ **Example:** While reading a digital newspaper, Sara, a VITA site coordinator, learns that one of her volunteers was arrested for identity theft. The article indicates that the volunteer had been using other people's identity to apply for credit cards and using the cards for unauthorized purchases. Violet sends an email to WI.voltax@irs.gov with the details and deactivates the volunteer's access to the tax preparation software. When the site opens the next day, Sara pulls the volunteer aside and advises him he can no longer work at the site due to his arrest on the identify theft charges.

Volunteer Registry

- ▶ Volunteers and partners barred from VITA/TCE programs for egregious actions and willful violations of the VSOC can be added to the IRS-SPEC Volunteer Registry. Volunteers and partners who are on the list are unable to participate in VITA/TCE programs **INDEFINITELY**. Egregious actions include, but are not limited to, one or more of the following willful actions:
 - ▶ Creating harm to taxpayers, volunteers, or IRS employees
 - ▶ Refusing to adhere to the QSR
 - ▶ Accepting payment for return preparation at VITA/TCE sites
 - ▶ Using taxpayer information for personal gain
 - ▶ Knowingly preparing false returns
 - ▶ Engaging in criminal, infamous, dishonest, notorious, disgraceful conduct
 - ▶ Any other conduct deemed to have a negative impact on the VITA/TCE programs.

Volunteer Protection Act

- ▶ Public Law 105-19, Volunteer Protection Act of 1997 (VPA) generally protects volunteers from liability for negligent acts they perform within scope of their responsibilities in the organization for whom they volunteer.
- ▶ The purpose of the VPA is to promote the interests of social service program beneficiaries and taxpayers and to sustain the availability of programs, nonprofit organizations, and governmental entities that depend on volunteer contributions.
- ▶ The VPA protects volunteers from liabilities if they were acting within scope of the program and harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer.
- ▶ In general, if volunteers are performing their responsibilities while adhering to the VSOC, they are protected.

Thank You for Watching & Listening!

- ▶ Go to <https://www.linklearncertification.com/d/> and login or create an account to take the Volunteer Standards of Conduct certification test
- ▶ Click on “VSOC Training” to download Publication 4961
- ▶ Check out the video, “Setting up an IRS Account on Link&Learn and Signing Form 13615”
- ▶ Feel free to reach to Sara Hubbell by email, sara@unitedwaysaw.org or by call/text 540-280-4260

